



GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

**Cooperation** – Interest Rebate Scheme for the year 2009-10 – Policy of Government of India and NABARD for providing crop loans at 7% per annum for the year 2009-10 – Dovetailing with interest rebate scheme of State Government–Orders – Issued.

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AGRICULTURE & COOPERATION (COOP.VI) DEPARTMENT

**G.O. Ms. No. 226**

**Date: 29-08-2009**

**Read the following:-**

1. G.O.Ms.No.230. A & C [Coop.VI] Dept., dated: 19-08-2008.
2. NABARD Circular No. NB.62/PCD-03/2009, dated 2.4.2008.
3. From the Commissioner for Cooperation and Registrar of Cooperative Societies, A.P., Hyderabad letter Rc.No.10051/2009/ Cr.I, dated 28.05.2009.

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**ORDER:**

1. In the reference 1<sup>st</sup> read above Government have provided interest rebate of 6% on current demand of ST crop loans and current installments of Medium Term (agriculture) and LT loans to the member farmers of the Primary Agricultural Cooperative Societies in the State including FSCS and ceded societies, for the year 2008-09, provided that the current demand is repaid fully **on or before 31.03.2009**. Government also permitted dovetailing of the above scheme of Government of India and NABARD, with the Interest rebate scheme 2008-09, subject to certain conditions.

2. In the reference 2<sup>nd</sup> read above, NABARD have communicated Policy for provision of Short Term refinance to State Cooperative Bank for financing Seasonal Agricultural Operations for the year 2008-09. As per the NABARD policy, interest subvention at 3% p.a. from Govt. of India on the involvement of Cooperative Banks would continue during the year 2009-10 and the rate of interest at 7% p.a. is to be charged to the ultimate borrowers (for crop loans up to Rs.3.00 lakhs) would also be applicable for the current financial year 2009-10 also. NABARD refinance at the concessional rate (revised from 3.5% p.a. for 2008-09 to 4% p.a. for 2009-10) is available to such Banks which together with their own involvement provide crop loans to farmers at 7.00% p.a.

3. In the reference 3<sup>rd</sup> read above, the Commissioner for Cooperation and Registrar of Cooperative Societies, A.P., Hyderabad has stated that in view of the above NABARD policy, the M.D. APCOB has requested for issue of Government orders on the interest rebate on Short Term, Medium Term and Long Term agricultural loans for the year 2009-10 also as the lending season for the current financial year 2009-10 has already commenced and instructions are to be issued to the DCCBs in the matter. Accordingly, the Commissioner for Cooperation and Registrar of

Cooperative Societies, A.P., Hyderabad has requested the Government to arrange to issue orders continuing the scheme of Interest Rebate at 6% per annum in S.T., M.T. and L.T. agricultural loans for the year 2009-10 and also orders for dovetailing the same with the scheme of Government of India and NABARD for the year 2009-10 on the lines as was ordered for the year 2008-09.

**4.** The Government, after careful examination of the entire matter hereby decide to continue this scheme for the year 2009-10 also. Accordingly, the Scheme to provide interest rebate of 6% on current demand of ST crop loans and current installments of Medium Term (agriculture) and LT loans to the member farmers of the Primary Agricultural Cooperative Societies in the State including FSCS and ceded societies, is continued for the year 2009-10, provided that the current demand is repaid fully **on or before 31.03.2010**. Government also permit dovetailing the scheme of Government of India and NABARD communicated in the reference 2<sup>nd</sup> read above, with the Interest rebate scheme of 2009-10, subject to the following conditions:

- i) All the member farmers will be charged interest @ 7% p.a. till the due date or till such date stipulated by the Government.
- ii) The rate of interest being charged after due date or the date stipulated by Government will be 11% p.a.
- iii) The farmers hitherto who repay loans on or before due date will be charged 5% interest per annum by utilising the interest rebate provided by Government of Andhra Pradesh.
- iv) The benefit derived out of reduction of interest rate on refinance by NABARD will be deducted from interest rebate claim to be made to Government of Andhra Pradesh.
- v) If any subvention is given by Government of India and also savings out of NABARD refinance, the same will be reduced from interest rebate claim to be made to Government of Andhra Pradesh.

**5.** The Interest Rebate Scheme 2009-10 will be administered by the APCOB by dovetailing the scheme of Government of India and NABARD in regard to ST-SAO loans. The funds released by the Government will be kept in a separate account by APCOB and APCOB will disburse the required funds district-wise to the DCCBs.

**6.** The following guidelines should be adopted for implementation of the Interest Rebate Scheme, 2009-10:

- a) The Scheme shall be implemented by the DCCBs under the direct supervision and control of the District Collector concerned who will monitor and report its implementation to the Government on fortnightly basis.
- b) The General Managers of the DCCBs concerned shall prepare and send to the APCOB the total requirement along with break up of branch-wise and PACS-wise requirements under the Interest Rebate Scheme.

- c) The amount drawn by APCOB from Government shall be released to the District Cooperative Central Banks and their branches in the name and style "INTEREST REBATE SCHEME, 2009-10" and the DCCB shall also maintain separate account in this matter.
- d) The amounts so credited in the above account shall be released based on the lists/certificates indicating the recovery effected from the members and the aggregate interest rebate in respect of the same on daily basis.
- e) The Interest Rebate amount will be paid to the member at the time of repayment of his dues.

7. The Managing Director, APCOB Ltd will issue necessary guidelines / operational instructions in this regard.

8. This order issued with the concurrence of Finance Department vide their U.O No.16531/314/A2/EAC/09, dated 30.07.2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**K RATNA KISHORE**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

**To,**

The Commissioner for Coop. and Registrar of Cooperative Societies, A.P., Hyd.

The Managing Director, APCOB, Hyderabad.

The Chief General Manager, NABARD R.O., Hyderabad.

All District Collectors in the State (through the Managing Director, APCOB, Hyd.).

**Copy to:**

All GMs of DCCBs in the State (through the MD, APCOB Ltd., Hyderabad).

All District Coop. Officers in the State (through the CC & RCS, AP, Hyderabad).

The Managing Director, A.P. State Cooperative Union, Gunfoundry, Hyderabad.

The Addl.Registrar/OSD, Agricultural Banking, SBH, Gunfoundry, Hyderabad.

The Accountant General, A.P., Hyderabad.

The Finance (FW.BG) Department.

The PAO (Main), Hyderabad.

The DTA, Hyderabad.

The CMO / The P.S. to M (Coop).

The PS to Chief Secretary.

The PS to Prl. Secretary (Coop. & Mktg).

The PS to Principal Secretary, Finance (R&E)

//FORWARDED ► BY ORDER//

**SECTION OFFICER.**